

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☒

| | | | |
|---|---|--|---|
| APPLICATION FOR PERMIT TO DRILL | | 1. WELL NAME and NUMBER Deep Creek 13-32-3-2E | |
| 2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> | | 3. FIELD OR WILDCAT UNDESIGNATED | |
| 4. TYPE OF WELL Oil Well Coalbed Methane Well: NO | | 5. UNIT or COMMUNITIZATION AGREEMENT NAME | |
| 6. NAME OF OPERATOR UTE ENERGY UPSTREAM HOLDINGS LLC | | 7. OPERATOR PHONE 720 420-3235 | |
| 8. ADDRESS OF OPERATOR 1875 Lawrence St Ste 200, Denver, CO, 80202 | | 9. OPERATOR E-MAIL rgarrison@uteenergy.com | |
| 10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Fee | 11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> | | 12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 13. NAME OF SURFACE OWNER (if box 12 = 'fee') Deep Creek Investments | | 14. SURFACE OWNER PHONE (if box 12 = 'fee') 801-322-1235 | |
| 15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 2400 Sunnyside, Salt Lake City, UT 84108 | | 16. SURFACE OWNER E-MAIL (if box 12 = 'fee') | |
| 17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') | | 18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/> | |
| | | 19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/> | |

| 20. LOCATION OF WELL | FOOTAGES | QTR-QTR | SECTION | TOWNSHIP | RANGE | MERIDIAN |
|---------------------------------|-----------------|---------|---------|----------|-------|----------|
| LOCATION AT SURFACE | 660 FSL 660 FWL | SWSW | 32 | 3.0 S | 2.0 E | U |
| Top of Uppermost Producing Zone | 660 FSL 660 FWL | SWSW | 32 | 3.0 S | 2.0 E | U |
| At Total Depth | 660 FSL 660 FWL | SWSW | 32 | 3.0 S | 2.0 E | U |

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|---|--|---|--|--|--|
| 21. COUNTY UINTAH | | 22. DISTANCE TO NEAREST LEASE LINE (Feet) 660 | | 23. NUMBER OF ACRES IN DRILLING UNIT 80 | |
| | | 25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 920 | | 26. PROPOSED DEPTH MD: 7902 TVD: 7902 | |
| 27. ELEVATION - GROUND LEVEL 5038 | | 28. BOND NUMBER LPM9032132 | | 29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 438496 | |

| Hole, Casing, and Cement Information | | | | | | | | | | |
|--------------------------------------|-----------|-------------|----------|--------|----------------|-------------|----------------------------------|-------|-------|--------|
| String | Hole Size | Casing Size | Length | Weight | Grade & Thread | Max Mud Wt. | Cement | Sacks | Yield | Weight |
| SURF | 12.25 | 8.625 | 0 - 790 | 24.0 | J-55 ST&C | 8.4 | Light (Hibond) | 278 | 1.35 | 14.8 |
| PROD | 7.875 | 5.5 | 0 - 7902 | 17.0 | N-80 LT&C | 9.2 | Halliburton Light , Type Unknown | 296 | 3.2 | 11.0 |
| | | | | | | | 50/50 Poz | 323 | 1.46 | 13.5 |

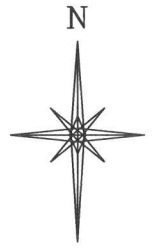
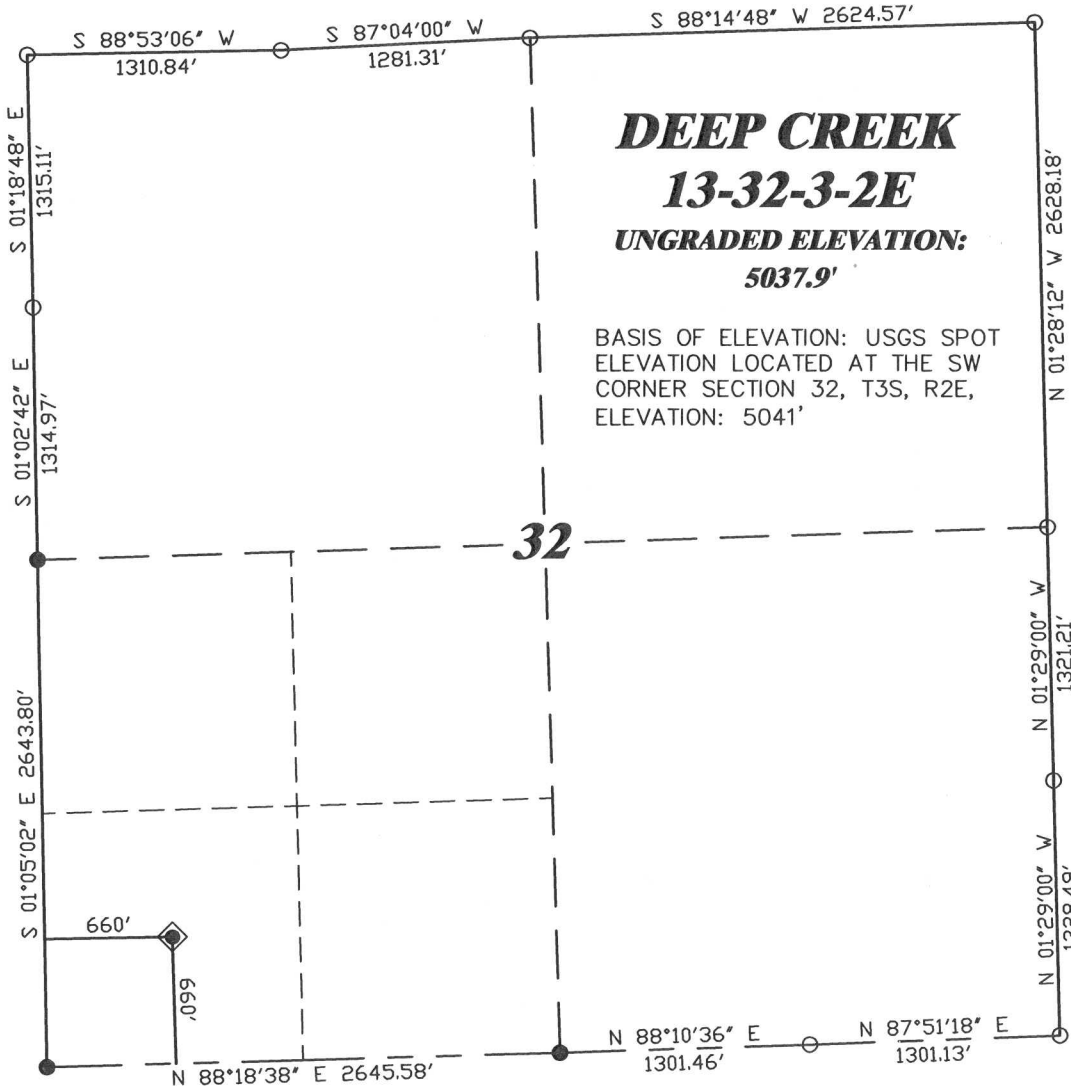
ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

| | |
|---|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE) | <input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER |
| <input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED) | <input checked="" type="checkbox"/> TOPOGRAPHICAL MAP |

| | | |
|--|--|------------------------------------|
| NAME Lori Browne | TITLE Regulatory Specialist | PHONE 720 420-3246 |
| SIGNATURE | DATE 05/04/2011 | EMAIL lbrowne@uteenergy.com |
| API NUMBER ASSIGNED 43047515750000 | APPROVAL  Permit Manager | |

R. 2 E.



SCALE 1" = 1000'

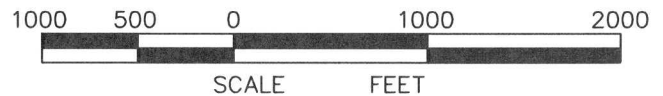
T. 3 S.

LATITUDE (NAD 83)
NORTH 40.173104 DEG.
LONGITUDE (NAD 83)
WEST 109.800260 DEG.

LATITUDE (NAD 27)
NORTH 40.173142 DEG.
LONGITUDE (NAD 27)
WEST 109.799561 DEG.

NORTHING
674629.19
EASTING
2475138.70

DATUM
SPCS UTC (NAD 27)

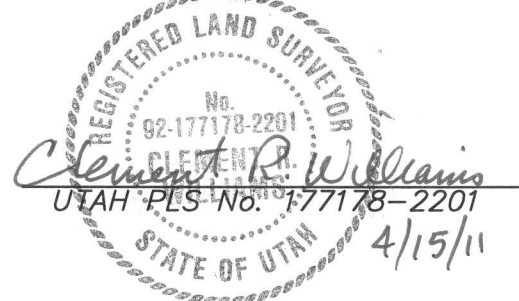


SURVEYOR'S STATEMENT

I, CLEMENT R. WILLIAMS, OF ROCK SPRINGS, WYOMING, HEREBY STATE: THIS MAP WAS MADE FROM NOTES TAKEN DURING AN ACTUAL FIELD SURVEY DONE UNDER MY DIRECT SUPERVISION ON APRIL 11, 2011 AND THAT THIS PLAT CORRECTLY SHOWS THE LOCATION OF DEEP CREEK 13-32-3-2E AS STAKED ON THE GROUND.

LEGEND

- ◆ WELL LOCATION
- BOTTOM HOLE LOC. (APPROX)
- FOUND MONUMENT
- ▲ PREVIOUSLY FOUND MONUMENT
- CALCULATED CORNER



DRG RIFFIN & ASSOCIATES, INC.
(307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901

**PLAT OF DRILLING LOCATION
FOR
UTE ENERGY**

DRAWN: 4/14/11 - MMM

SCALE: 1" = 1000'

REVISED: NA

DRG JOB No. 18424

EXHIBIT 1

**660' F/SL & 660' F/WL, SWSW, SECTION 32,
T. 3 S., R. 2 E., U.S.M.
UINTAH COUNTY, UTAH**